

County News and Views

JUNE 1998

From the Office of Fifth District Chairman Jerry Eaves

Moody's Investors Service upgrades County's long-term lease obligation rating from "Baa1" to "A3".

"The Moody's rating is significant because it is the last of the three major rating agencies to restore the County's credit rating to the 'A' level," Chairman Eaves explained. In 1994, Moody's lowered the County's credit rating from an A to Baa due to the poor condition of the economy and the uncertain structural relationship between the counties and the state. "The announcement of the rating upgrade by Moody's is especially gratifying because it reflects the agency's confidence that the county is in a strong financial position and has reached a point of economic stability," Eaves added.

In appraising the county, Moody's noted that the outlook for the county is stable "due to the county's adoption of, and expected adherence to, sound fiscal policies". Moody's announcement also recognizes the county's actions in reducing "its reliance on one-time revenues and to rebuild reserves." Moody's further noted in their announcement that the county's unreserved general fund balance has been increased by the county from \$25.4 million at the end of fiscal year 1995 to \$42.3 million in 1997.

The announcement by Moody's is important because it reflects the agency's recognition of the county's conservative fiscal policies and management. Just as important, though, are the savings that an upgraded rating has for the county's borrowing costs. In a typical market, it is estimated that for each \$100 million in debt issue, an "A3" rating instead of Baa1 reduces a county's annual debt service cost by approximately \$150,000 to \$200,00, or \$3.5 million to \$5.0 million over the term of the issue.

COUNTY MEDICAL CENTER REUSE

The existing County Medical Center complex located at 780 E. Gilbert Street in San Bernardino occupies 43.72 acres of land, exclusive of Juvenile Hall and Information Services. When the new Arrowhead Regional Medical Center in Colton opens later this year, most of the current operations will be moved from the Gilbert Street site to the new location. The County Medical Center Site Re-Use Steering Committee was established and met regularly in 1997 to discuss re-use options for the Gilbert Street site.

Committee Recommendations:

- Maintain existing space for Juvenile Hall, Municipal and Superior Courts, District Attorney, Teddy Bear Tymes, Public Defender, McKee Clinic, Behavioral Health, County Medical Center Records Storage, Thrift Shop and the Doctor's Billing Corporation.
- Provide expansion space for Juvenile Hall, Behavioral Health, Courts and Teddy Bear Tymes.
- Construct Emergency Center for Abused Children.
- Provide space for the Brian Wesley Ray Foundation and Preschool Services.
- Demolish all non-occupied buildings.

Supervisor Eaves and San Bernardino City Councilwoman Susan Lien conducted a Town Hall Meeting to solicit public input. This input, along with the Committee recommendations, will be provided to a consultant who will develop recommendations for the Board of Supervisors. Input may be provided by calling (909) 387-5346 before July 15, 1998.

CALENDAR OF EVENTS

The Supervisor's television show may be viewed as follows:

Inland Empire Economic Partnership-Rialto Channel 3, San Bernardino Channel 3, Fontana, Channel 49.
California State Supreme Court Justice Ronald George-Rialto Channel 3, Marks Cable Channel 54, San Bernardino Channel 3, Fontana Channel 49 and TCI Channel 3.

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